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DEPARTMENT OF STATE A/CDC/MR

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(Enclosure No. 1 to Despatch No. 843 from American Embassy, Guatemala, dated January 20, 1950.)

January 10, 1950.

MEMORANDUM FOR THE AMBASSADOR

Col. Oscar Morales Lopez made it plain in his conversation with me this morning that the main item of information which he wished to give to the Embassy concerned Jorge Garcia Granados, candidate for president. He stated that he had known Garcia Granados personally for a number of years and that undoubtedly at one time he was a communist. It was his opinion that he is still a communist.

He also said that at one time Garcia Granados told him that the primary interest of Guatemala should be to cultivate Mexico instead of the United States as its most important friend. He stated that Gracia Granados proposed to the President that the Order of the Quetzal be given to Henry Wallace and that he, Morales Lopez, convinced the President that this should not be done. It was my understanding that this proposal was made either during Wallace's campaign for president or shortly thereafter.

Morales Lopez indicated that he was rather close to Col. Arbenz and that he favored his candidacy for president. He was told that we had heard from some sources, not necessarily reliable, that Garcia Granados was still close to the President personally and might even ultimately be the President's choice as a candidate. Morales Lopez said that he did not believe this to be true and said that he knew that recently Garcia Granados had tried to obtain an audience with the President and that the President had refused to see him. He said that he believed that these rumors were merely a device of the opposition to try to weaken the position of the President and the government in the coming elections. Morales Lopez said that in a recent conversation with Arbenz he had confronted him with the possibility of betrayal by party leaders after he had resigned as Minister of Defense. Arbenz told him that he had thought of that possibility but that in his own mind he was convinced of their support. Although Morales Lopez did not say so specifically, I got the impression that the President was included in this support.

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He was asked if he knew whether the current political movement among the labor unions was an independent movement which might result in their nomination of a candidate of their own. He said that he did not know the answer to this question but believed that the principal organizers of this movement were well tied in with the leadership of " a certain political party " (probably referring to PAR) and that the political movement in organized labor would fit into the general plans of the political parties. In other words, it seemed to be his belief that they would end up by supporting the candidacy of Arbenz, although he did not state this specifically.

It was pointed out to him that in the recent convention of the Political Action Committee of the Railroad Union (SAMF), considerable communist propaganda was circulated, including the Information Bulletin of the Soviet Embassy in Mexico and the official newspaper of the Communist Party in Mexico. He stated that he did not like the communist propaganda of some of the labor leaders and that neither did Arbenz like this. He said that he would speak to Arbenz about this matter.

Morales Lopez stated that he would appreciate it if if the information he had given to the Embassy would be kept in the strictest confidence.

Collins D. Almon

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